

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

MERCY HEALTH SYSTEM OF
SOUTHEASTERN PENNSYLVANIA,
Plaintiff,

-vs-

CSI FINANCIAL, INC.,
Defendant.

FIRST NATIONAL BANK OF MONTANA,
INC., and CSI FINANCIAL, INC.,
Plaintiffs,

-vs-

MERCY HEALTH SYSTEM OF
SOUTHEASTERN PENNSYLVANIA,
Defendant.

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) CIVIL ACTION
) Case No. 01-CV-5681
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) CIVIL ACTION
) Consolidated
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)
)

COPY

DEPOSITION OF NEYSHA ANN HUMPHREYS

Heard at the offices of Lesofski & Walstad Court Reporting
21 North Last Chance Gulch, Suite 201
Helena, Montana
July 14, 2004
9:03 a.m.

CHRISTINE D. LIVELY, RPR
Lesofski & Walstad Court Reporting
21 North Last Chance Gulch, Suite 201, Placer Center
Helena, Montana 59601 (406) 443-2010

DEPOSITION OF NEYSHA ANN HUMPHREYS

Page 149

1 findings?
 2 A. I did.
 3 Q. And who was that report given to?
 4 A. The CEO and the Audit Committee and the board.
 5 Q. Anybody else?
 6 A. No.
 7 Q. Do you know if anybody else, to date, has seen
 8 that report?
 9 MR. DAY: Besides counsel?
 10 MS. SCRIVANI: Besides counsel.
 11 THE WITNESS: I do not. I know that the
 12 external auditors have seen it and the OCC examiners
 13 have seen it.
 14 Q. (By Ms. Scrivani) Who are the OCC examiners?
 15 A. Office of the Comptroller of the Currency, our
 16 regulators. And I don't remember which examiners were
 17 on that exam.
 18 Q. That was my question, did you know their names
 19 specifically?
 20 A. I do not remember who was on that exam.
 21 Q. You don't.
 22 And when you say that exam, what exam are you
 23 talking about? Is there a time period?
 24 A. We are examined every 18 months by the OCC. They
 25 come in-house. However, the report -- and they review

Page 150

1 our minutes, yeah, when they come in.
 2 Q. But your understanding that the OCC examiners have
 3 seen the report that you prepared as a result of your
 4 November 2001 review?
 5 A. Yes.
 6 Q. How do you know that they have seen it?
 7 A. Because they review the minutes to the board of
 8 directors' meetings and it's an attachment to the Audit
 9 Committee report in the board of directors' meeting
 10 packet.
 11 Q. Anybody else?
 12 A. Not that I know of. Oh, well, there's the
 13 compliance officer, who is the CFO.
 14 Q. The bank's CFO?
 15 A. The bank's CFO and President Partain's assistant.
 16 Q. Anybody else?
 17 A. Not that I know of.
 18 Q. Do you know if the OCC examiners also saw your
 19 Procedure and Activities document?
 20 A. Yes.
 21 Q. They did see it?
 22 A. Yes.
 23 Q. Do you know if the OCC examiners saw your work
 24 notes?
 25 A. I do not.

Page 151

1 Q. Is that something that they would ordinarily have
 2 access to?
 3 A. They would have access to, but they usually will
 4 review workpapers on a random selection basis. They
 5 don't every exam come in and review all my workpapers.
 6 Q. Was there anything else that you prepared as a
 7 result of your November 2001 review?
 8 A. There was electronic spreadsheet with the field
 9 work detailed on it. The report and the findings are a
 10 summary of what's in those spreadsheets.
 11 Q. Who would have seen the electronic spreadsheet?
 12 A. I don't know because I don't know if it's in with
 13 the stuff that went to the attorneys or not.
 14 Q. Let me back up. With respect to the people you
 15 listed as having seen your report?
 16 A. Oh, none -- no, none of them.
 17 Q. None of those people have seen it?
 18 A. No.
 19 Q. Including the OCC examiners?
 20 A. Correct. If they reviewed the workpapers, they
 21 would have seen them. If they didn't review the
 22 workpapers, they would not.
 23 Q. Okay. So that would be included with your
 24 workpapers?
 25 A. Yes. There would be a hard copy in the

Page 152

1 workpapers.
 2 Q. And with respect to this, the Procedures and
 3 Activities and the report, did the staff auditor that
 4 was hired to help out have any role in preparing those
 5 documents?
 6 A. No. Preparing what documents?
 7 Q. Either your Procedures and Activities or the
 8 report?
 9 A. No.
 10 Q. Did you rely on that person's workpapers in
 11 drafting either of those two items?
 12 MR. DAY: Objection.
 13 THE WITNESS: No.
 14 Q. (By Ms. Scrivani) Why didn't you?
 15 A. Because he was in follow-up procedures that were
 16 done after the closing of the initial field work.
 17 Q. What were those follow-up procedures?
 18 A. I don't recall at this time.
 19 Q. Did you prepare a report based on those follow-up
 20 procedures?
 21 A. I did not do a formal report on that follow-up.
 22 Q. Did you do anything in writing based on the
 23 follow-up?
 24 A. I don't recall. If I did one, it would be in the
 25 Audit Committee update.